
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2014. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

SCHEDULES

SCHEDULE 31

FOLLOWER NOTICES AND PARTNERSHIPS

Calculation of penalty etc

- 5 (1) This paragraph applies in relation to a partnership follower notice.
- (2) Section 209 applies subject to the following modifications—
- (a) the total amount of the penalties under section 208(2) for which the relevant partners are liable is [^{F1}12%] of the value of the denied advantage,
 - [^{F2}(aa) the total amount of the penalties under section 208A(3) for which the relevant partners are liable is 8% of the value of the denied advantage,]
 - (b) the amount of the penalty [^{F3}under section 208(2) or 208A(3) (as modified by this paragraph)] for which each relevant partner is liable is that partner's appropriate share of that total amount, and
 - (c) the value of the denied advantage for the purposes of calculating the total amount of the penalties is—
 - (i) in the case of a notice given under section 204(2)(a), the net amount of the amendments required to be made to the partnership return to counteract the denied advantage, and
 - (ii) in the case of a notice given under section 204(2)(b), the net amount of the amendments that have been made to the partnership return to counteract the denied advantage,
- (and, accordingly, Schedule 30 does not apply).
- (3) For the purposes of sub-paragraph (2), a relevant partner's appropriate share is—
- (a) the same share as the share in which any profits or loss for the period to which the return relates would be apportioned to that partner in accordance with the firm's profit-sharing arrangements, or
 - (b) if HMRC do not have sufficient information from P to establish that share, such share as is determined for the purposes of this paragraph by an officer of HMRC.
- (4) Where—
- (a) the relevant partners are liable to pay a penalty under section 208(2) (as modified by this paragraph),
 - (b) the penalties have not yet been assessed, and
 - (c) P has co-operated with HMRC,
- section 210(1) does not apply, but HMRC may reduce the total amount of the penalties determined in accordance with sub-paragraph (2)(a) to reflect the quality of that co-operation.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2014. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (5) Nothing in sub-paragraph (4) permits HMRC to reduce the total amount of the penalties [^{F4}under section 208(2) (as modified by this paragraph)] to less than 4% of the value of the denied advantage (as determined in accordance with sub-paragraph (2)(c)).
- (6) For the purposes of section 212, a penalty imposed on a relevant partner by virtue of paragraph 4(2) [^{F5}or 4A] is to be treated as if it were determined by reference to such additional amount of tax as is due and payable by the relevant partner as a result of the counteraction of the denied advantage.
- (7) The right of appeal under section 214 extends to—
- (a) a decision that penalties [^{F6}under section 208(2)] are payable by the relevant partners by virtue of this paragraph, and
 - (b) a decision as to the total amount of those penalties payable by those partners, but not to a decision as to the appropriate share of, or the amount of a penalty payable by, a relevant partner.
- (8) Section 214(3) applies to an appeal by virtue of sub-paragraph (7)(a) as it applies to an appeal under section 214(1).
- (9) Section 214(8) applies to an appeal by virtue of sub-paragraph (7)(a), and section 214(9) to an appeal by virtue of sub-paragraph (7)(b).
- [^{F7}(9A) The right of appeal under section 214A extends to—
- (a) a decision that penalties under section 208A(3) are payable by the relevant partners by virtue of this paragraph, and
 - (b) a decision as to the total amount of those penalties payable by those partners, but not to a decision as to the appropriate share of, or the amount of a penalty payable by, a relevant partner.
- (9B) Section 214A(3) applies to an appeal by virtue of sub-paragraph (9A)(a) as it applies to an appeal under section 214A(1).
- (9C) Section 214A(5) applies to an appeal by virtue of sub-paragraph (9A)(a), and section 214A(6) to an appeal by virtue of sub-paragraph (9A)(b).]
- (10) An appeal by virtue of sub-paragraph (7) may be brought only by the representative partner or, if that partner is no longer available, the person who is for the time being the successor of that partner.
- (11) The Treasury may by order made by statutory instrument vary the rates for the time being specified in sub-paragraphs (2)(a) [^{F8}and (aa)] and (5).
- (12) Any statutory instrument containing an order under sub-paragraph (10) is subject to annulment in pursuance of a resolution of the House of Commons.

Textual Amendments

- F1** Word in Sch. 31 para. 5(2)(a) substituted (with effect in accordance with Sch. 28 para. 15 of the amending Act) by Finance Act 2021 (c. 26), Sch. 28 para. 12(2)(a)
- F2** Sch. 31 para. 5(2)(aa) inserted (with effect in accordance with Sch. 28 para. 15 of the amending Act) by Finance Act 2021 (c. 26), Sch. 28 para. 12(2)(b)

Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2014. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)*

- F3** Words in Sch. 31 para. 5(2)(b) inserted (with effect in accordance with Sch. 28 para. 15 of the amending Act) by Finance Act 2021 (c. 26), **Sch. 28 para. 12(2)(c)**
- F4** Words in Sch. 31 para. 5(5) inserted (with effect in accordance with Sch. 28 para. 15 of the amending Act) by Finance Act 2021 (c. 26), **Sch. 28 para. 12(3)**
- F5** Words in Sch. 31 para. 5(6) inserted (with effect in accordance with Sch. 28 para. 15 of the amending Act) by Finance Act 2021 (c. 26), **Sch. 28 para. 12(4)**
- F6** Words in Sch. 31 para. 5(7)(a) inserted (with effect in accordance with Sch. 28 para. 15 of the amending Act) by Finance Act 2021 (c. 26), **Sch. 28 para. 12(5)**
- F7** Sch. 31 para. 5(9A)-(9C) inserted (with effect in accordance with Sch. 28 para. 15 of the amending Act) by Finance Act 2021 (c. 26), **Sch. 28 para. 12(6)**
- F8** Words in Sch. 31 para. 5(11) inserted (with effect in accordance with Sch. 28 para. 15 of the amending Act) by Finance Act 2021 (c. 26), **Sch. 28 para. 12(7)**

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2014. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 212(4)(f) and word inserted by [2021 c. 26 Sch. 27 para. 43\(b\)\(ii\)](#)
- s. 212(5)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(ii\)](#)
- s. 212(5)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(iv\)](#)
- s. 212(5)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(v\)](#)
- s. 227A227B inserted by [2024 c. 3 s. 34\(1\)](#)
- Sch. 31 para. 2(3)(b) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(iii\)](#)
- Sch. 31 para. 2(4A) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(c\)](#)
- Sch. 31 para. 3(1A) inserted by [2017 c. 32 Sch. 14 para. 45\(3\)\(b\)](#)
- Sch. 31 para. 5(b) inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(c\)](#)
- Sch. 31 para. 2(3)(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(ii\)](#)
- Sch. 31 para. 5(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(b\)](#)
- Sch. 31 para. 2(3)(a) words renumbered as Sch. 31 para. 2(3)(a) by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(i\)](#)
- Sch. 31 para. 5(a) words renumbered as Sch. 31 para. 5(a) by [2017 c. 32 Sch. 14 para. 45\(4\)\(a\)](#)
- Sch. 32 para. 1(2)(b) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(iii\)](#)
- Sch. 32 para. 1(3A) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(c\)](#)
- Sch. 32 para. 1(2)(a) words inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(ii\)](#)
- Sch. 32 para. 1(2)(a) words renumbered as Sch. 32 para. 1(2)(a) by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(i\)](#)